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OCT 2 3 2002

FCC - MAIL BOOM



October 18,2002

Chairman Michael Powell Federal Communications Commission 445-12th Street, SW Washington, D.C. 20554

Re: Ex Parte -- Verizon Declaratory Action - WC 02-202

Dear Chairman Powell:

Mpower Communications Corp. ("Mpower") filed Comments in this docket indicating that all carriers have been damaged by the current downturn and that Verizon is merely using this situation "to further penalize its competitors regardless of whether they have continued to pay their bills in a timely fashion." (Mpower Comments, 8/15/02, p. 2) Mpower also pointed out that using \$250,000 in overdue payments as the trigger, without excepting disputed amounts, when Verizon bills are chronically inaccurate, would lead to all carriers having to provide Verizon with deposits or prepayments. Further, the tariff provisions would readily lead to drastic measures being taken by the ILEC.

Drastic measures are too readily taken by Verizon without the additional authority and shortened time frames included in the proposed tariffs. To illustrate Just how quickly and injudiciously Verizon is willing to threaten its competitors with termination of its bottleneck services, Mpower has attached a copy of a letter sent by Verizon's attorneys to Mpower's bankruptcy attorneys subsequent to Mpower's exiting its Chap. 11 reorganization. This letter was sent on Tuesday, September 17 of this year and demanded compliance before 5:00 p.m. Friday, September 20. It stated, in part, as follows:

Currently, Mpower owes past-due amounts to Verizon...for post-petition utility services....If Mpower fails to wire transfer all past-due amounts to Verizon by 5:00 p.m on Friday, September 20, 2002, Verizon will seck to enforce its rights...including, without limitation. termination of services.

Within 24 hours after sending this letter, Verizon belatedly recognized that it had errors in its billings and communications failures between its billing and collections departments. In fact, Mpower did not owe the cited monies. The error was made because Verizon bills are so inaccurate and unauditable that for many months, Verizon has agreed that Mpower pay, not from the inaccurate Verizon bills but according to a formula based upon the number of lines Mpower

orders and reports to Verizon. Thus, someone at Verizon jumped to the erroneous conclusion that Mpower was in arrears and without adequate investigation of the issue, sent a letter threatening to terminate services to Mpower in less than 72 hours.

Unfortunately, this is an all too typical ILEC scenario. ILECs do not need additional means to extort monies from CLECs, especially those that are paying their bills.

Sincerely,

Marilyn H. Ash

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Counsel - Legal & Regulatory Affairs

- c. William Mahr, Wireline Competition Bureau Chief
- c. Christopher Libertelli, Legal Advisor
- c. Dan Gonzalez, Legal Advisor
- c. Jordan Goldstein, Advisor
- c. Matthew Brill, Advisor
- c. Marlene H. Dortch, Secretary (2 copies)

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September 17, 2002

VIA FACSIMILE AND US MAIL

Jonathan F. Linker Shearman & Sterling 599 Lexington Avenue New York, New York 10022

Re: <u>In re Mpower Holding Corporation, et al.</u>; Jointly Administered under Chapter 11

Case No. 02-1 1046(D. Del.)

Dear Jonathan:

As you how, this firm serves as counsel to the operating telephone company subsidiaries of Verizon Communications Inc. ("Verizon") in connection with the above-referenced bankruptcy cases.

I write on behalf **of** Verizon to demand that Mpower Holding Corporation and Mpower Communications Corp. (collectively "Mpower") pay Verizon's post-petition utility invoices. Currently, Mpower owes past-due amounts to Verizon totaling \$3,497,943.26 for post-petition utility services. Enclosed is **a** listing of the specific accounts and the amounts owed on each account.

If Mpower fails to wire transfer all past-due amounts to Verizon **by** 5:00 p.m. on Friday, September 20,2002, Verizon will seek to enforce its rights arising from Mpower's failure to pay post-petition utility invoices, including, without limitation, termination of services.

I trust that Mpower will conduct itself accordingly.

Sincerely yours,

Heath J. Vicente

Ms. Carolyn Keith (via facsimile) Frank N. White, Esq.

(509329v)

Mpower Communications Corp. Post-Petition \$

| (1) | (2) | (3) | (4) | (5) | (6) | (7) |
|------|-------|------|-----------------|---------------|-------------|------------------|
| Агеа | State | ACNA | Service Type | BAN | imuoloo # | Post-Petition \$ |
| West | AZ | NVE | Access | N36HP11000105 | 102145 | Owed |
| West | AZ | NVE | Access | N36HP11000105 | 02176 | 256.74 |
| West | AZ | NVE | Access | N36HP11000105 | | 8.39 239.26 |
| West | CA | NVE | Access | C11HMA3591109 | | 25,782.35 |
| West | CA | NVE | Access | C11HMA3591109 | | |
| West | CA | NVE | Access | C11HMA3922110 | | 0.00 |
| West | CA | NVE | Access | C11HMA3922110 | l. | 0.00 |
| West | CA | NVE | Access | C11HMA4818110 | | 0.00 |
| West | CA | NVE | Access | C11HMA4818110 | | 0.00 |
| West | CA | NVE | Access | C11HMN5114108 | | 0.00 |
| West | CA | NVE | Access | C11HMN5114108 | | 223.87 |
| West | CA | NVE | Access | C11HMN5114108 | | 223.87 |
| West | CA | NVE | Access | C11HM11003105 | | 0.00 |
| West | CA | NVE | Access | C11HM11003105 | | 66,054.84 |
| West | CA | NVE | Access | C11HM11004105 | | 0.00 |
| West | CA | NVE | Access | C11HM11004105 | | 1,259.01 |
| West | CA | NVE | Access | C11HM11005105 | | 0.00 |
| West | CA | NVE | Access | C11HM11005105 | | 2,996.90 |
| West | CA | NVE | Access | C11HM11006105 | | 0.00 |
| West | CA | NVE | Access | C11HM11006105 | | 175,217.77 |
| West | CA | NVE | Access | C11SM11000105 | | 7,875.09 |
| West | CA | NVE | Access | | 02179 | 0.00 |
| West | CA | NVE | Access | | 02209 | 0.00 |
| West | CA | NVE | Access | | 02179 | 3,233.43 |
| West | CA | NVE | Access | | 02209 | 0.00 |
| West | CA | NVE | Access | | 02179 | 580.65 |
| West | CA | NVE | Access | | 02209 | 19,117.66 |
| West | CA | NVE | Access | | 02209 | 75,666.65 |
| West | CA | NVE | Access | | 02179 | 786.68 |
| West | CA | NVE | Access | C11SQ21025105 | 02209 | 0.00 |
| West | CA | NVE | Access | | 02179 | 860.21 |
| West | CA | NVE | Access | | 02209 | 5,120.50 |
| West | CA | NVE | Access | | 02179 | 0.00 |
| West | CA | NVE | Access | C11UQ11001105 | 02209 | 0.00 |
| West | CA | NVE | Access | C11UQ11002105 | 02148 | 0.00 |
| West | CA | NVE | Access | C11UQ11002105 | | 0.00 |
| West | CA | NVE | Access | C11UQ11002105 | 02209 | 76.51 |
| West | CA | NVE | Access | C11UQ21000105 | 02209 | 682,839.66 |
| West | CA | NVE | Access | C11UQ21001105 | 02200 | 71,078.62 |
| West | CA | NVE | Access | C11VM11002105 | 02170 | 4,405.15 |
| West | CA | NVE | Access | C11VM11003105 | 02200 | 21,731.55 |
| West | CA | NVE | Access | C11VM11004105 | | 0.00 |
| West | CA | NVE | Access | C11VM11004105 | | 0.00 |
| West | CA | NVE | Access | C11VM11005105 | | 78,593.97 |
| West | CA | NVE | Access | C11VQ21004105 | | 347,456.92 |
| West | CA | NVE | Access | C113M11002105 | | 915.76 |
| West | CA | NVE | Access | C114M11002105 | | 43,256.13 |
| West | CA | NVE | Access | N31HPN5142108 | | 0.00 |

Mpower Communications Corp. Post-Petition \$

| (1) | (2) | (3) | (4) | (5) | (6) | (7) |
|------|-------|------|-------------|---------------|-----------------|------------------|
| | | | Service | | | Post-Petition \$ |
| Area | State | ACNA | Туре | BAN | Invoice # | Owed |
| West | CA | NVE | Access | N31HP11001105 | 02145 | 7,975.67 |
| West | CA | NVE | Access | N31HP11001105 | 02176 | 0.00 |
| West | CA | NVE | Access | N31HP11001105 | 02206 | 6,156.14 |
| West | CA | NVE | Access | N31VM21000105 | 02139 | 0.00 |
| West | CA | NVE | Access | N31VM21000105 | 02170 | (62.51) |
| West | CA | NVE | Access | N31VM21000105 | 02200 | 0.00 |
| West | CA | NVE | Collocation | C112M11001105 | 02170 | (9,344.00) |
| West | CA | NVE | Collocation | C112M11001105 | 02200 | (0.00) |
| West | CA | NVE | Collocation | C112M11002105 | 02170 | 0.00 |
| West | CA | NVE | Collocation | C112M11002105 | 02200 | 0.00 |
| West | CA | NVE | Collocation | C112M11003105 | 02170 | 0.00 |
| West | CA | NVE | Collocation | C112M11003105 | 02200 | 0.00 |
| West | CA | NVE | Collocation | C112Q11000105 | 02179 | 26,077.62 |
| West | CA | NVE | Collocation | C112Q11000105 | 02209 | 7,112.08 |
| West | CA | NVE | Collocation | C112Q11003105 | 02148 | 0.00 |
| West | CA | NVE | Collocation | C112Q11003105 | 02179 | 0.00 |
| West | CA | NVE | Collocation | C112Q11003105 | 02209 | 0.00 |
| West | CA | NVE | Misc B&C | NA | 05642SVCAG10205 | 0.00 |
| West | CA | NVE | Misc B&C | NA | 05642SVCAG10206 | 0.00 |
| West | CA | NVE | Misc B&C | NA | 05642SVCAG10207 | 0.00 |
| West | CA | NVE | Misc B&C | NA | 05642SVCAG10208 | 158,518.52 |
| West | CA ' | NVE | Recip Comp | 8322L2319 | 101020012 | (126,587.88) |
| West | CA | NVE | Recip Comp | 8322L2319 | | (180,807.55) |
| West | CA | NVE | Recip Comp | 8322L2319 | | (192,656.39) |
| West | CA | NVE | Recip Comp | 8322L2319 | | (206,239.96) |
| West | CA | NVE | Resale/UNE | 8181972768 | NA | 6,303.62 |
| West | CA | NVE | Resale/UNE | 8181972768 | NA | 5,833.58 |
| West | CA | NVE | Resale/UNE | 8181972768 | NA | 94.55 |
| West | CA | NVE | Resale/UNE | 8181972768 | NA | (11,955.14) |
| West | CA | NVE | Resale/UNE | 8181973563 | NA | 15,596.54 |
| West | CA | NVE | Resale/UNE | 8181973563 | NA | 15,414.04 |
| West | CA | NVE | Resale/UNE | 8181973565 | NA | 22,115.06 |
| West | CA | NVE | Resale/UNE | 8181973565 | NA | 1,671,813.94 |
| West | CA | NVE | Resale/UNE | 8181978339 | NA | 4,093.91 |
| West | CA | NVE | Resale/UNE | | NA | 4,327.59 |
| West | CA | NVE | Resale/UNE | 8181978339 | NA | 61.49 |
| West | CA | NVE | Resale/UNE | | NA | (8,421.50) |
| West | CA | NVE | Resale/UNE | | NA | 3,503.63 |
| West | CA | NVE | Resale/UNE | | NA | 3,385.35 |
| West | CA | NVE | Resale/UNE | 8181978340 | NA | 52.55 |
| West | CA | NVE | | 4 | NA | 6,992.31 |
| West | CA | NVE | | | NA | 1,970.88 |
| West | CA | NVE | Resale/UNE | | NA | 2,071.02 |
| West | CA | NVE | Resale/UNE | 8181978341 | NA | 29.54 |
| | CA | NVE | Resale/UNE | 8181978341 | NA | (3,981.27) |
| | CA | | Resale/UNE | | NA | 2,545.33 |
| | CA | NVE | Resale/UNE | | NA | 2,256.37 |
| West | CA | NVE | Resale/UNE | 8131974060 | NA | 226,906.53 |

Updated: 9/12/02 at 7:30 a.m.

Mpower Communications Corp. Post-Petition\$

| Area | State | ACNA | Service | DANI | Invoice # | Post-Petition\$ |
|----------|-------------|------|---------------|-------------------|-----------------|--------------------------|
| West | State | ACNA | Type | BAN 8131974060 | Invoice # | owed |
| vvest | CA | NVE | Resale/UNE | 8131974060 | NA Sub-Total | 8,840.92 3,105,850.72 |
| <u> </u> | | | 1 | 1 | Sub-Total | 3,103,030.72 |
| West | FL | NVE | Access | F11HF11001105 | 02127 | 0.00 |
| West | FL | NVE | Access | F11HF11001105 | 02158 | 0.00 |
| West | FL | NVE | Access | F11HF11001105 | 02188 | 0.00 |
| West | FL | NVE | Access | F11HF11001105 | 02219 | 8,184.97 |
| West | FL | NVE | Access | F11SQ11008105 | 02148 | 0.00 |
| West | FL | NVE | Access | F11SQ11008105 | 02179 | 0.00 |
| West | FL | NVE | Access | F11SQ11008105 | 02209 | 0.00 |
| West | FL | NVE | Access | F11SQ11009105 | 02148 | 0.00 |
| West | FL | NVE | Access | F11SQ11009105 | 02179 | 0.00 |
| West | FL | NVE | Access | F11SQ11009105 | 02209 | 0.00 |
| West | FL | NVE | Access | F11SQ11010105 | 02148 | 0.00 |
| West | FL | NVE | Access | F11SQ11010105 | 02179 | 0.00 |
| West | FL | NVE | Access | F11SQ11010105 | 02209 | 0.00 |
| West | FL | NVE | Access | F11SQ11011105 | 02148 | 0.00 |
| West | FL | NVE | Access | F11SQ11011105 | 02179 | 0.00 |
| West | ÍFL | NVE | Access | F11SQ11011105 | 02209 | 0.00 |
| West | FL | NVE | Access | F11VF11001105 | 02158 | 0.00 |
| West | FL | NVE | Access | F11VF11001105 | 02188 | 0.00 |
| West | FL | NVE | Access | F11VF11001105 | 02219 | 468.00 |
| West | FL | NVE | Access | F113F11001105 | 02158 | 0.00 |
| West | FL | NVE | Access | F113F11001105 | 02188 | 0.00 |
| West | FL | NVE | Access | F113F11001105 | 02219 | 0.00 |
| West | FL | NVE | Access | F114F11001105 | 02158 | 0.00 |
| West | FL | NVE | Access | F114F11001105 | 02188 | 0.00 |
| West | FL | NVE | Access | F114F11001105 | 02219 | 2,335.00 |
| West | FL | NVE | Collocation | F112H11000105 | 02133 | 127,513.71 |
| West | FL | NVE | Collocation | F112H11000105 | 02164 | 56,731.71 |
| West | FL | NVE | Collocation | F112H11000105 | 02194 | 49,040.74 |
| West | FL | NVE | Misc B&C | NA | 05642SVFLG10205 | 0.00 |
| West | FL | NVE | Misc B&C | NA | 05642SVFLG10206 | 0.00 |
| West | FL | NVE | Misc B&C | NA | 05642SVFLG10207 | 0.00 |
| West | FL | NVE | Misc B&C | NA | 05642SVFLG10208 | 6,454.26 |
| West | FL. | NVE | Recip Comp | 8592L0328 | 101020014 | (6,646.35) |
| West | FL | NVE | Recip Comp | 8592L0328 | | (9,514.58) |
| West | FL | NVE | Resale/UNE | 8131972324 | NA | 5.11 |
| West | FL | NVE | $\overline{}$ | 8131972324 | NA | 3.84 |
| West | FL | NVE | | 8131972324 | NA | 3.84 |
| West | FL | NVE | | 8131972324 | NA . | 6.97 |
| West | FL | NVE | | 8131972324 | NA . | (5.13) |
| West | FL | NVE | Resale/UNE | 8131972412 | NA . | 1,998.19 |
| West | FL | NVE | | 8131972412 | NA | 1,533.75 |
| West | FL | NVE | Resale/UNE | 8131972412 | NA | 1,616.80 |
| West | FL | NVE | Resale/UNE | 8131972412 | NA | 22.89 |
| West | FL. | NVE | Resale/UNE | 8131972412 | NA | (3,173.44) |
| West | <u> </u> FL | NVE | Resale/UNE | 8131972741 | NA | 1,910.76 |

Mpower Communications Corp. Post-Petition\$

| | (2) | (3) | (4) | (5) | (6) | (7) |
|------------|-------|---|-----------------|-----------------------------------|-------------|------------------|
| ľ <u>.</u> | | | Service | | | Post-Petition \$ |
| Area | State | ACNA | Туре | BAN | Invoice # | Owed |
| West | FL | NVE | Resale/UNE | 8131972741 | NA | 472.19 |
| West | FL | NVE | Resale/UNE | 8131972741 | NA | 472.19 |
| West | FL | NVE | Resale/UNE | 8131972741 | NA | 472.19 |
| West | FL | NVE | Resale/UNE | 8131972741 | NA | (472.19) |
| West | FL | NVE | Resale/UNE | 8131972829 | NA | 150,268.31 |
| West | FL | NVE | Resale/UNE | 8131972829 | NA | 144.084.45 |
| West | FL | NVE | Resale/UNE | 8131972829 | NA | 152,039.38 |
| West | FL | NVE | Resale/UNE | 8131972829 | NA | 2,990.94 |
| West | FL | NVE | Resale/UNE | 8131972829 | NA | (297,157.76) |
| | | ļ | | | Sub-Total | 391,660.74 |
| East (N) | NY | NVE | Access | 716M910015968 | 02072-NY | 114.40 |
| East (N) | NY | NVE | Access | 716M910015968 | 02103-NY | (197,24) |
| East (N) | NY | NVE | Access | 716M910015968 | 02133-NY | (182.54) |
| East (N) | NY | NVE | Access | 716M910015968 | 02164-NY | (10.64) |
| East (N) | NY | NVE | Access | 716M910015968 | 02194-NY | 707.82 |
| | | - | | - | Sub-Total | 431.80 |
| | | 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - | Şîrin deşirili. | ing and entry things in the first | Grand Total | 3,497,943.26 |